

# 78

ANNUAL REPORT

THE COMMONWEALTH OF MASSACHUSETTS

# Division of Employment Security

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**job matching - job insurance - job market research**

office of the director

March 1, 1979

The Honorable Edward J. King  
Governor of Massachusetts  
State House  
Boston, Massachusetts 02133

Dear Governor King:

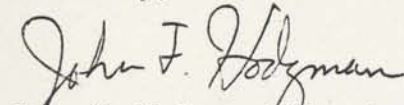
In accordance with Section 93 of the General Laws of the Commonwealth of Massachusetts, I am respectfully submitting the annual report of the administration and operation of the Division of Employment Security during fiscal year 1978. This report covers the activities of the Division from July 1, 1977 to June 30, 1978.

This past year was one of economic improvement for Massachusetts and of accomplishment for the Division of Employment Security.

A decline in the number of Job Insurance claims and a substantial increase in the number of jobs in the State has allowed us to devote considerably more of our time and efforts to the further development of our responsibility to match jobs and workers.

While we will continue to administer the Job Insurance program in a manner that is fair to both the employers and workers of the Commonwealth, we plan--in the year ahead--to provide an even more professional and efficient Job Matching operation for the citizens of Massachusetts, and to disseminate labor market research and analyses which will aid in planning for the future economic growth of the State.

Sincerely,

  
John F. Hodgman, Director

Attachment

## 1978 in Fiscal Year

The Massachusetts Division of Employment Security (DES) provides assistance to the Commonwealth's workers and employers through three major services: Job Insurance, Job Matching, and Job Market Research.

During fiscal year 1978 activities in each of these services reflected the following characteristics:

1978

The Job Insurance program, which made benefit payments of \$394 million during fiscal 1978, provided temporary income to Massachusetts' unemployed workers during their search for new employment. These benefits are critical in helping to maintain the economic stability of workers. Their level has not been as high as in previous years. It is likely that the amount of benefits paid will be reduced in the future. In the form of payments for food, shelter and clothing. As an indicator of the improving economy, benefits paid out this year to the unemployed were 21 percent less than those paid in fiscal 1977.

### ANNUAL REPORT

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DES personnel in Job Matching Centers across the state assisted about 93,000 individuals in finding employment, an increase of 14 percent over fiscal 1977. Job placements in fiscal 1978 showed an increase over fiscal 1977 in every major job category.

### MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY

In particular, the Massachusetts Work Incentive Program (WIP)—which provides job assistance to welfare recipients—was the second best job placement program in the nation.

The Job Market Research Service, which includes the Labor Force Research, Occupational Industry Research and the Public Information Departments, published studies and research reports on the State, its major labor areas, its primary industries and selected occupations, and pamphlets on major DES programs and services. More than 250 publications are produced annually by this Service.

Agency services are supplied to the State's employers through the administrative support of the DES. The DES headquarters is in the Charles F. Murray Building in Boston's Government Center, and through a statewide network of 31 Job Matching Centers and Job Insurance Centers. In 1978, the DES also operated "mini-employment centers", temporary and seasonal offices and placement offices.

JOHN F. HODGMAN  
DIRECTOR

Administrative funds for the Division of Employment Security are provided by the Governor Administration of the U.S. Department of Labor. Federal unemployment taxes (FUTA) paid by employers are used to finance the operations of state unemployment security agencies throughout the country.



## DES in Fiscal '78

The Massachusetts Division of Employment Security (DES) provides assistance to the Commonwealth's workers and employers through three major services: Job Insurance, Job Matching, and Job Market Research.

During fiscal year 1978 activities in each of these services reflected the improving Massachusetts' economy.

The Job Insurance program, which made benefit payments of \$398 million during fiscal 1978, provided temporary income to Massachusetts' unemployed workers during their search for new employment. These benefits are critical in helping to maintain the economic stability of workers, their families and their communities. It is money usually spent quickly--returned immediately to the State's economy in the form of payments for food, shelter and clothing. As an indicator of the improving economy, benefits paid out this year to the unemployed were 31 percent less than those paid in fiscal 1977.

DES personnel in Job Matching Centers across the state assisted almost 98,000 individuals in finding employment, an increase of 34 percent over fiscal 1977. Job placements in fiscal 1978 showed an increase over fiscal 1977 in every major Job Matching program.

In particular, the Massachusetts Work Incentive Program (WIN)--which provides job assistance to welfare recipients--was the second most cost effective WIN program in the nation.

The Job Market Research Service, which includes the Labor Area Research, Occupation/Industry Research and the Public Information Departments, published studies and research reports on the State, its major labor areas, its primary industries and selected occupations, and pamphlets on major DES programs and services. More than 275 publications are produced annually by this Service.

Agency services are supplied to the State's citizens through the administrative departments located in DES headquarters in the Charles F. Hurley Building in Boston's Government Center, and through a statewide network of 83 Job Matching Centers and Job Insurance Centers, 36 WIN teams and numerous "mini-employment centers", temporary and seasonal offices and itinerant claim centers.

Administrative funds for the Division of Employment Security are provided by the Manpower Administration of the U.S. Department of Labor. Federal unemployment taxes (FUTA) paid by employers are used to finance the operations of state employment security agencies throughout the country.



By law, DES data must be reported according to the Federal fiscal year, from October 1 to September 30, while the Commonwealth operates on a July 1 to June 30 fiscal year. In this report, the fiscal year referred to is that of the Commonwealth. Significant data for both fiscal reporting periods is included on charts at the end of this report.

During the past 12-month period the Division of Employment Security has made a major effort to respond more effectively to the needs of the public. A primary objective has been to relocate offices to provide greater access to the users of our services, and to redesign and improve the physical appearance of offices to provide a business-like atmosphere and more efficient delivery of services.

Major computer systems are being developed and installed. With the advent of more computer assistance for DES programs, it is expected that the claims process, unemployment tax system and the matching of employers and workers will be more efficient, professional and cost effective in the future.

#### Massachusetts Economy

A decline in the unemployment rate and an increase in the number of employed Massachusetts workers helped to create a stronger State economy during the past fiscal year.

Between July 1977 and July 1978, the unemployment rate dropped from 7.8 percent to 6.3 percent. Total employment increased by 143,900 people--from 2,603,900 in July 1977 to 2,747,800 in July 1978.

Unemployment was lower in all of the State's major labor areas at the end of the 12-month fiscal period.

#### The Unemployment Rate Seasonally Unadjusted

<u>Major Labor Area</u>	<u>Fourth Quarter</u>	<u>Fourth Quarter</u>
	<u>FY 1977</u>	<u>FY 1978</u>
Boston SMSA*	7.6	5.9
Brockton SMSA	9.1	6.1
Fall River LMA** (Mass only)	8.5	6.5
Lawrence-Haverhill SMSA (Mass only)	9.5	6.5
Lowell	8.1	6.3
New Bedford LMA	9.9	7.2
Springfield-Chicopee-Holyoke LMA	6.9	5.7
Worcester LMA	6.5	5.2

\* Standard Metropolitan Statistical Area

\*\* Labor Market Area



During the past year nonagricultural employment showed definite improvement with an additional 104,100 jobs, an increase of 4.3 percent. Nonmanufacturing employment accounted for a gain of 65,500 jobs or 62.9 percent of the overall increase. On an industry basis, those exhibiting the most notable gains were services (+31,000)--particularly business services--and wholesale and retail trade (+19,300).

#### Unemployment Rate Methodology

There was a change in the methodology for estimating employment and unemployment in Massachusetts beginning in January 1978.

The unemployment rate is now calculated by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor using federally gathered data, rather than by the Division of Employment Security. The "Current Population Survey" (CPS) methodology yields more accurate data than the previous system, which required monthly and annual adjustments of the figures to bring Massachusetts into line with the annual unemployment rate calculated in Washington.

#### Legislative Changes

Several amendments to the Massachusetts Employment Security Law were passed by the Legislature during fiscal 1978.

The most significant changes included those enacted to bring the State into conformity with Public Law 94-566.

- 1) The extension of Job Insurance to virtually all employees of state and local governments, employees of primary and secondary schools, and certain agricultural and domestic workers.

Should "tax caps" result in layoffs of public employees, the resulting costs of unemployment compensation to state and local governments would be of considerable significance.

- 2) Denial of benefits to certain employees of primary and secondary educational institutions between academic terms. This provision of the law which denies benefits to employees of educational institutions who have "reasonable assurance" of work for the next term, has received some criticism since its adoption.



- 3) An increase in the taxable wage base from \$4200 to \$6000 annually.

The increased tax base has improved the balance in the Massachusetts Trust Fund.

- 4) A revised tax rate for employers.

#### Job Insurance Programs

With the improvement of the Massachusetts economy during fiscal year 1978, there was a substantial decline in the unemployment claims workload. The decrease in the unemployment rate caused a cutback in certain Job Insurance programs, including the Federal-State Extended Benefits Program (TREX) and the Federal Supplemental Benefit (FSB) program.

Statewide there was a 34 percent reduction in the number of job insurance checks issued - from 7,784,000 in fiscal year 1977 to 5,116,000 in fiscal year 1978.

In the 12-months ending June 30, 1977 more than \$576,200,000 had been paid in job insurance benefits, while \$398,004,000 was paid for the same period in 1978--a 31 percent decrease.

At this time, the maximum number of weeks payable to Job Insurance claimants is 30 weeks, the number of weeks covered by the regular state program. At the end of June 1978 there were 64,719 claimants on the state program as compared to 72,254 claimants on the same program at the end of June 1977.

The jointly-funded Federal-State Extended Benefits Program (TREX), which provides additional weeks of benefits, up to a maximum of 13 weeks, to claimants who have exhausted their benefits on the regular state program, "triggered" on and off during the year as the insured unemployment rate shifted during that period. The program was in effect from October 1977 to January 1978 and from April through July 1978.

The Federal Supplemental Benefit (FSB) program which provided an additional period of benefits to workers who had exhausted TREX payments ended in Massachusetts in July 1977. FSB provided up to 13 weeks of benefits during periods of high unemployment and was totally financed by federal funds.

The Special Unemployment Assistance (SUA) program, financed by the Federal government and providing benefits to public employees, domestic and agricultural workers and others not covered by the state program, was phased out as new legislation, effective January 1, 1978, provided the majority of those workers coverage under the regular state program.



### Storm Payments

The February 1978 blizzard presented Massachusetts with a record-breaking snowfall and gave the DES a major task, that of paying unemployment benefits to workers unable to reach their places of employment because of the storm and resulting restrictions on travel.

The Disaster Unemployment Assistance (DUA) program provided federal funds to assist workers in eight Massachusetts counties who were displaced from their jobs for more than one week because of damage caused by the storm.

A state program, the Special Emergency Unemployment Benefits (SEUB) program, was created by emergency legislation in February, 1978. It waived the one-week waiting period, required by Massachusetts law, for workers who lost earnings only during the week of the storm. More than 377,500 claims were filed under the SEUB program. By June 30, 1978, \$19,927,450 in benefits had been paid to 288,805 Massachusetts workers eligible for the program.

### TAA Program

The Trade Adjustment Assistance (TAA) program assumed new importance during the year as many Massachusetts companies were adversely affected by the competition from foreign imports. TAA is entirely funded by the federal government and provides for benefits up to a 52 week maximum in a two-year benefit period. Workers may receive benefits during periods of both unemployment and underemployment. When TAA payments are added to regular UI payments, workers may receive approximately 70 percent of their total wages. Workers also receive job placement assistance and funds for training and relocation if necessary.

During the 1978 fiscal year, 11,826 TAA applicants were registered with the DES. More than 1800 of those workers had been totally separated from their jobs. Job Matching personnel, working with staff from Job Insurance Centers, placed 657 of these workers into new jobs. Training programs were completed by 391 people; 261 were placed into jobs directly related to their training. Between August 1976 and June 1978, \$1,000,000 has been used for training TAA registrants.

### Improving Services

Because of the declining claims load, personnel in DES Job Insurance Centers were able to provide higher quality services to claimants. More than 24,700 claimants were placed in new employment during fiscal 1978, an increase of seven percent over fiscal 1977. Timely first payments--payments made to a claimant within a two week period following the first compensable week--were made for 79 percent of all initial claims.



### Audit

The Audit Department is responsible for developing and operating programs to detect, prevent, and penalize erroneous or misrepresented claims for Job Insurance, and to recoup any monies paid out on these claims.

In fiscal 1978 the department conducted more than 1,000 investigations and uncovered 165 cases of fraud which were forwarded to the Legal Department for action. During that same period, \$1,725,000 in overpayments was recovered.

### Appealing Claims Decisions

Any decision made by the DES regarding Job Insurance claims may be appealed by both claimant and employer when either one disagrees with the determination.

An initial determination on a Job Insurance claim is made in the local office, where an appeal can be filed. The process continues through to the Hearings Department in Boston and if necessary an appeal can be made to the Board of Review and finally to the courts.

During fiscal 1978 the Hearings Department received 24,430 appeals, a decrease of 5,800 from fiscal 1977. During the year a total of 25,260 dispositions were made.

### Board of Review

Because of Legislative changes to the sections of the Massachusetts Employment Security Law covering the appeals procedure, the role of the Board of Review changed during fiscal 1978. Effective July 1977 the Board's examiners, instead of holding hearings at which the parties are notified to be present or represented, now examine the records of the Determinations and Hearings Department and make recommendations to the three-member Board to grant or deny an application for review.

The role of the three-member Board has changed in that it must now take some action on every case appealed to the Board by considering the examiner's recommendations, and make decisions on whether to grant or deny further review.

The Board continues to hold hearings at which interested parties must be present, in cases where the application of the section of law dealing with labor disputes is the issue, and in cases which the Board has agreed to review and take additional evidence.

In fiscal 1978 the Board received 5,500 appeals. Dispositions were made on 6,400 cases.

District Courts have rendered decisions on 265 appeals from decisions of the Board of Review. The following findings were made:

Board of Review Decisions affirmed.....	157
Board of Review Decisions reversed.....	51
Petitions for Review dismissed.....	34
Petitions for Review withdrawn.....	1
Case remanded to Board of Review by Court.....	22

#### Unemployment Compensation Trust Fund

The trust fund, from which benefits are paid to unemployed workers, is financed through taxes paid by Massachusetts' employers.

When the recession of 1974-75 brought about extremely high levels of unemployment in the State, the trust fund had to be supplemented with funds borrowed from the Federal government. The fund currently has a Federal debt of \$265 million.

Legislation passed in 1977 which included an increase in the taxable wage base from \$4200 to \$6000, and a revision of the employer tax rate schedule will begin to stabilize the fund and to decrease the debt, as will the decline in the level of unemployment in the State.

#### Statement of Financial Transactions

	YEAR ENDING JUNE 30, 1978
Balance as of July 1, 1977	\$ 93,993,677.70
Contributions Collected (net)	330,826,392.17
Interest*	108,878.55
Reimbursed Benefit Payments**	15,907,354.45
Excess in U.C. Contingency Fund***	515,502.55
TOTAL	\$441,351,805.42
Unemployment Benefit Payments (Withdrawals)	302,848,500.00
TREX Payments State Share (Withdrawals)	21,107,800.00
TOTAL DISBURSEMENTS	\$323,956,300.00
Balance, June 30, 1978	<u>\$117,395,505.42</u>

\* US Interest Credits

\*\* TREX Reimbursables wks 27-30

\*\*\* Annual Transfer of excess in UC Contingency Fund (Includes:  
1977 - \$323,346.45      1978 - \$192,156.10)



### Job Matching Services

One of the Division of Employment Security's primary responsibilities is to match qualified applicants with employers' job openings.

Local Job Matching Centers--providing a total range of employment services, including job counseling, testing, job development and placement--are located throughout the State.

Smaller offices, "mini-Job Matching Centers", staffed by one or two people and providing job placement and job development services are located in schools, libraries, town halls and other similar locations in many of Massachusetts' smaller cities and towns and in the neighborhoods of large metropolitan areas.

During fiscal 1978, 98,000 applicants were placed into jobs by the DES Job Matching Service, an increase of 34 percent over the prior fiscal year. More than 166,500 individuals were referred to jobs. Job development contacts--more than 46,000 in fiscal 1978--which involve the developing of job opportunities for applicants, resulted in more than 17,150 placements.

### Secretary's Committee

During fiscal year 1977 the Secretary of Economic Affairs appointed a Committee to study the organization and operation of the Job Matching Service.

The Committee's members included representatives of all the publics served by the agency--the business community, labor, education and the general public.

The Committee's report was submitted in December 1977. Among the principal recommendations was the need for DES to broaden its services to the State's small and medium-sized employers, and to focus its services for job-seekers on the broad middle range of occupations--neither top-level management nor unskilled labor--which forms the largest potential market for job matching services.

Included in the report's major recommendations is expansion of a DES program utilizing local employer advisory groups; reinstatement of joint programs with the Department of Education to provide services to high school students and drop-outs; and the designation of DES as the lead agency for all publicly-funded job development and placement efforts.



### Employer Services

Efforts to improve services to the Commonwealth's employers were intensified during fiscal 1978. Continued emphasis was placed on the Job Service Improvement Program (JSIP) which involves the participation of local employer advisory groups. Following the recommendations of the employer advisory group, employee task forces in the local Job Matching Centers then develop plans for implementing those recommendations.

During the past year an additional seven offices were brought into the JSIP program for a total of 22 Job Matching Centers throughout the State. Changes resulting from the JSIP program have included the relocation of some offices when such a move will benefit the community by making DES services more accessible; the redesign of offices; and increased professionalism and productivity on the part of Job Matching personnel.

An increased emphasis has also been placed on improving the quality and quantity of employer visits. Employer Service Representatives, assigned to every local Job Matching Center, provide employers in their community with individualized assistance in meeting personnel needs and with information on DES services.

### Counseling and Youth Services

During fiscal 1978, employment counselors in 43 local Job Matching Centers provided counseling services to 22,800 persons needing assistance in making vocational choices or in resolving various job-related problems. Twenty percent of the applicants receiving counseling services were veterans.

During the year, almost 103,000 applications were filed by youth under 22 years of age. More than 38,000 of these youth--37 percent--were placed in employment; 4600 received counseling services; 1665 received testing; and 762 were referred to training including more than 100 to Job Corps.

Job Matching interviewers, counselors and managers have continued to participate in the Cooperative School Program at 150 schools across the state. This assistance includes counseling, vocational testing, assisting with registration at DES offices, addressing school classes, participating in "Career Days", and disseminating occupational, training, and job market information.

Job Corps as a vocational training resource has proved to be very effective during the past year in assisting young people in their vocational development. Youth have been sent to Job Corps centers in most areas of the country and have received training in a wide variety of occupations. The placement rate for Job Corps graduates has exceeded 90 percent.



Following the opening of the Westover Job Corps Center --in September 1978--Job Corps enrollments are expected to increase substantially. In addition, the closeness of the center should reduce the dropout rate for Massachusetts' youth. Increased Job Corps activity in the state is expected to help lower the high unemployment rate for the State's youth.

The Young Adult Conservation Corps has provided jobs for 36 youth to date and will shortly be expanded to nearly 300 positions in conservation work in all areas of the state.

The Apprentice Information Center and local offices continue to provide testing services for Joint Apprenticeship Committees and unions. More than 500 individuals have been tested this fiscal year.

#### Selected Applicant Groups Division

The Job Matching Service is mandated to provide intensive services to groups who may have difficulty finding suitable employment because of age, sex, handicap or being members of minority groups.

Each Job Matching Center has a Specialist for Services to the Handicapped and a staff member responsible for disseminating Equal Employment Opportunity/Affirmative Action information to all office personnel.

The Selected Applicant Group Division monitored services in the local Job Matching Centers and assisted employers and community organizations.

#### P L A C E M E N T S

<u>Group</u>	<u>FY '77</u>	<u>FY '78</u>	<u>% Increase</u>
Handicapped	3,894	5,703	46%
Minorities	8,287	11,613	50%
Older Workers	8,057	11,621	44%
Women	29,479	37,068	26%

#### Work Incentive Program

The Work Incentive Program (WIN) assisted 9,780 AFDC recipients in obtaining unsubsidized employment during the 12-month period ending June, 1978. During that same period 613 registrants were enrolled in WIN classroom job skills training designed to equip them for permanent jobs. Through the establishment of a stronger linkage with CETA programs throughout the state, WIN assisted 5,395 registrants to participate in training and employment programs sponsored by CETA and other non-WIN funded organizations.



The unique character of WIN continued to be the on-the-job training programs in conjunction with private sector employers. WIN reimburses employers for a portion of participants' training period wages. Almost 950 previously unskilled welfare recipients were placed in WIN on-the-job training slots during fiscal 1978.

The WIN program saved \$18,868,523 in welfare costs during the fiscal year.

#### Veterans Services

Employment services for veterans increased significantly during fiscal 1978. There were 19,648 veterans placed in jobs, almost 40 percent of the total number of veteran applicants. Of this total 5,895 were Vietnam era veterans and 1,704 were disabled veterans.

In comparison to the last annual fiscal reporting period the increase in veteran placement activity is: all veterans, 66.5 percent; Vietnam era, 51.9 percent; and disabled veterans 58.5 percent.

Much of the credit for the increase in veteran's services this year can be attributed to the Disabled Veterans Outreach Program which has helped to increase local office referral activity and placement rates.

#### Rural Services

Local Job Matching Centers provide a full range of services to agricultural and rural workers and employers.

In fiscal year 1978, the placement rate for rural applicants was 30 percent, and for migrant and seasonal farm workers 40 percent, as compared with 25 percent and 33 percent respectively for fiscal 1977. This year 12,277 rural applicants and 232 migrant and seasonal farm workers were placed in jobs by DES Job Matching personnel.

The increase in the placement rates for both groups is attributed to intensive job development activity and an increased awareness of the needs and preferences of this particular group of workers, and of available jobs and training opportunities.

#### Law Offender Services Division

After seven years of operation, the Law Offender Services Division statewide program was discontinued on April 30, 1978. Services remain, on a local basis, in Roxbury Court, Lowell and Worcester. During the final nine months of operation, there were 987 applicants with 403 entering employment and 170 referred to training, CETA and other supportive services. The program met its intake goals by 124 percent and its employment goals by 93 percent.



### Food Stamp Program

In 1971 an amendment was made to the Federal Food Stamp Program requiring employable members of a household applying for food stamps, to fill out a work registration form and accept suitable employment in order to be eligible for food stamps.

Food stamp applicants are required to apply at DES Job Matching Centers for employment assistance.

In fiscal 1978, there were 26,195 applications from food stamp registrants; more than 4,000 of these were placed in jobs. In addition, 300 persons were enrolled in training --WIN work experience and CETA institutional--and 50 others in Federal and State programs.

### Mandatory Job Listings

The federal government requires employers with federal contracts in excess of \$10,000 to list jobs with the Division of Employment Security.

During this past fiscal year 24,120 individuals were placed in openings generated by this program, an 18 percent increase over fiscal 1977.

### Job Market Research

The Job Market Research Service collects and analyses data on the Massachusetts labor market, and distributes this information in a variety of monthly, quarterly and annual reports.

This data is vital to economists and planners in both the public and private sectors. The output of the Job Market Research Service is valuable for business, educational institutions, community planning organizations and the general public for use in developing curriculum, vocational training programs, staffing patterns, affirmative action programs and plant locations.

Job market information has gained increasing importance as revenue allocations for local communities continue to be based on each city and town's employment situation.

### Labor Area Research

Market Research analysts in the business, educational, governmental, industrial and service sectors of the Commonwealth use DES Labor Area Research publications.



Information is published on: economic overviews of various aspects of the labor market; economic development for those seeking federal funds; affirmative action guidelines for employers working under federal contracts as well as for state, city and town officials applying for grants from the office of Revenue Sharing.

Publications of the Labor Area Research Department include: Massachusetts Trends in Employment and Unemployment; Massachusetts Economic Assumptions; Annual Planning Report; Manpower Information for Affirmative Action Programs; Industrial Pattern of Massachusetts; and Area Employment Reviews.

Although it does provide information to employers on request, the Unemployment Insurance (UI) Actuarial Unit is essentially structured to in-Division service. It projects workloads for the UI Service, does financial forecasting on the Unemployment Trust Fund; projects how various assumptions might affect the fund and forecasts the effect of proposed legislation on the fund. At present the unit's major effort is devoted to a legislative project to improve the method of funding benefits and the adequacy of the trust fund.

#### Occupational/Industry Research

Important labor studies--used extensively by economists, educators, employers and employment specialists--have been developed by the Occupational and Industrial Research staff from previously unexploited data that at one time was supplied only in reports to the U.S. Department of Labor.

There are now 25 of these studies which include occupational profiles, industrial profiles, short and long-term projections of manpower requirements, labor turnover in manufacturing, hour and wage study of production workers as well as other non-formalized studies.

The demand for this information has increased in direct proportion to the emphasis being placed on long term planning by the public and private employment sectors. Circulation of these studies, which was once accomplished by the use of individually typed address labels, has increased to over twenty-four thousand copies distributed each year through the use of six computerized mailing lists.

The purpose of the studies is varied, but it does include such objectives as aiding economic analyses, business forecasting and the development of aid-to-business programs. In the academic sector these studies are used for future curricula planning.



### Research Library

Over 1400 people used the facilities of the Research library during the past year. Included in those seeking labor, economics and manpower data information were: consultants from both the private and public sectors, research personnel from both state and federal agencies, as well as college and university faculty members and students.

### General Administration

#### Expenditures

The Division of Employment Security's operating costs are paid out of funding allocated by the U.S. Department of Labor. Taxes paid by employers under the Federal Unemployment Tax Act (FUTA) are the major source of funds.

Total expenditures during fiscal 1978 were \$51,285,773. Salaries and personnel benefits accounted for 77 percent of that amount, with other general administrative costs such as equipment and supplies, premises, travel, communications and other expenses making up the balance.

Personnel costs	\$39,909,493
Premises	4,011,177
Equipment	1,776,378
Supplies	613,815
Travel	394,494
Communications	1,280,418
Miscellaneous	3,299,998
Total	\$51,285,773

### Legal Service

The Legal Department handles all litigation involving the Division of Employment Security in the district, state and federal courts.

The department has six attorneys, including the Chief Counsel. In addition, there are three Assistant Attorneys General who handle all prosecutions for fraud and other criminal matters.

The department's cases involve: contribution or tax collection; Board of Review appeals; bankruptcy/receivership cases; and recovery of overpayments to claimants.

The Attorney General's office prosecuted 358 cases during fiscal 1978--225 tax collection cases and 133 larceny (claimant overpayment) cases.

### Ombudsman

The Office of the Ombudsman was established in 1972 to improve the Division's effectiveness and responsiveness to the public it serves. The office investigates complaints from individuals, advocacy groups, employers and unions; patterns of problems are analyzed and solutions are proposed. The Ombudsman can recommend changes in policy, procedure or legislation as a result of these investigations and analyses.

The Ombudsman represents the Division with the public explains the laws which govern the Job Insurance and Job Matching services and presents the public's opinions to DES personnel for consideration in policy formation and service delivery.

Approximately 96 percent of the public's contact with the Ombudsman's office is by telephone. Over 40,000 calls were received during fiscal 1978, 86 percent of which related to unemployment insurance. Of the 3,300 formal investigations which were conducted, 74 percent were resolved within seven days. Eighty-six percent of all cases were resolved within 14 days. Concerns which were dealt with most often were those of employer liability, claim processing, the determination of non-monetary eligibility and adjudicatory hearings.

### Staff Training Department

The Training Department develops in-house training programs designed to improve job performance and enhance career development.

The department continued to improve its capability to design training materials.

Training programs of significance were: instructional development skills for training, which increases the Division's capability to do in-house training; programs dealing with changes in legislation; instruction for claims takers in various Job Insurance programs; and a slide/sound production on Equal Employment Opportunity.



WIN program staff members attended a course--with Welfare Department WIN workers and WIN participants--on non-traditional Jobs for Women.

During fiscal 1978 DES employees attended 8658.5 staff days of training; in-service training accounted for 7169.5 staff days; out-service training for 1489 staff days.

The training phase of the agency's Management by Objectives (MBO) program was completed during the past fiscal year with 347 employees attending some type of MBO training. All employees in supervisory positions have now participated in a minimum of four days training.

The completion of this phase made possible the design of an agency-wide budget and planning process that integrates MBO with the Program Budget Plan mandated by the Department of Labor.

# JOB MATCHING HIGHLIGHTS

July 1, 1977/June 30, 1978

	YEAR ENDING 6/30/77	YEAR ENDING 6/30/78	PERCENTAGE CHANGE
New Applicants and Renewals	317,181	304,230	- 4
Job Openings Received (Non-Agricultural)	168,743	200,984	+19
Job Openings Filled (Non-Agricultural)	103,718	137,314	+32
Individuals Placed in Jobs	73,290	97,919	+34
Veterans Placed in Jobs	12,886	18,700	+45
Disadvantaged Applicants Placed in Jobs	23,666	36,092	+53
Work Incentive Program (WIN)			
Participants Entered in Employment (30 days or more)	9,060	9,781	+ 8
On-the-Job Training Enrollments	934	945	+ 1
Welfare Savings (Annualized)	*INA	\$18,868,523	*INA

\* Information not available



# JOB MATCHING HIGHLIGHTS

October 1, 1977/September 30, 1978

	YEAR ENDING 9/30/77	YEAR ENDING 9/30/78	PERCENTAGE CHANGE
New Applicants and Renewals	316,100	302,423	- 4
Job Openings Received (Non-Agricultural)	181,593	205,987	+13
Job Openings Filled (Non-Agricultural)	127,200	127,122	0
Individuals Placed in Jobs	84,855	100,242	+18
Veterans Placed in Jobs	15,448	16,567	+ 7
Disadvantaged Applicants Placed in Jobs	30,764	39,366	+28
Work Incentive Program (WIN)			
Participants Entered in Employment (30 days or more)	9,317	10,433	+12
On-the-Job Training Enrollments	886	1,141	+29
Welfare Savings (Annualized)	\$14,437,175	\$21,742,667	+51

# JOB INSURANCE HIGHLIGHTS

July 1, 1977/June 30, 1978

	YEAR ENDING 6/30/77	YEAR ENDING 6/30/78
TOTAL BENEFITS PAID	\$583,246,756	\$409,558,002
State Programs (including state share of TREX)	345,607,935	308,732,283
Federal Programs	235,234,350	94,655,984
Combined Wages (reimbursements from other states)	2,404,471	6,169,735
CONTRIBUTIONS RECEIVED	\$320,256,202	\$321,589,242
INITIAL CLAIMS FILED		
State Programs	676,141	659,765
Federal Programs	148,512	59,402



# JOB INSURANCE HIGHLIGHTS

October 1, 1977/September 30, 1978

	YEAR ENDING 9/30/77	YEAR ENDING 9/30/78
TOTAL BENEFITS PAID	\$523,616,765	\$374,345,252
State Programs (including state share of TREX)	330,818,967	294,922,248
Federal Programs	190,482,497	72,882,462
Combined Wages (reimbursements from other states)	2,315,301	6,540,542
CONTRIBUTIONS RECEIVED	\$319,751,604	\$351,928,776
INITIAL CLAIMS FILED		
State Programs	664,686	628,283
Federal Programs	145,692	23,038

